

Automotive News

September 9, 1985

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New at Frankfurt



Daihatsu Charade convertible unveiled

ASC, Inc., Southgate, Mich., has added a soft top to the Daihatsu Charade. The concept car will be on display at the Frankfurt Motor Show this week. ASC has also enhanced the Charade's appearance with sculptured bodyside appliques, wheel flares, front and rear fascias, rear decklid wing and front driving lamps.



VW to show Golf Syncro

Volkswagen's Golf Syncro will be at Frankfurt. The vehicle goes into production early next year and will be the first in its class with four-wheel drive.



Opel Kadett sedan

Opel will feature a four-door sedan version of its Kadett at the Frankfurt show. Opel also will present two other new versions of the Kadett line. By expanding the lineup, Opel hopes to increase the Kadett's appeal.



Ford Scorpio gets all-wheel drive

Ford is extending its all-wheel-drive system to the new Scorpio sedan, which will be on display at Frankfurt.

Profits steady; trade-in mix improves

Last of '85s fading away

By Richard Johnson
Detroit Reporter

Though a nationwide hauler strike had U.S. dealers fearing a disastrous carryover less than a month ago, a round of finance incentives is apparently making fast work of the last of the 1985 models.

A tentative carrier settlement followed by a wave of factory-sponsored buyer come-ons have created a surge of showroom traffic around the country.

Dealers say profit margins are generally holding up in the waning days of the model year and many cite a better mix of trade-ins. There are even occasional reports of 1985 models being traded on 1985 models.

Spotlight falls on new 4WDs at Frankfurt

By Richard Frost
European Editor

LONDON.—The Frankfurt Motor Show, which opens to the public Thursday (Sept. 12), will underline the German manufacturers' commitment to four-wheel drive.

BMW and General Motors' Adam Opel are making their first forays into the field with 4x4 versions of the 3-Series and Kadett Rally, respectively. Ford will be extending its all-wheel-drive offering to the new Scorpio sedan, and Volkswagen's Golf Syncro will be the first of that type in its class.

While 4x4 is nothing new, even for passenger cars, its adoption by the world's auto makers has increased substantially over the past few years. The catalyst was the Audi Quattro, introduced in the spring of 1980. Now, just over five years later, every Audi series is available with four-wheel drive.

Just as it does on every occasion, Frankfurt will bristle with technical novelties and innovations. But there will be few of the imminent all-new cars which rumors have suggested will debut at the show. They will be announced over the next few weeks and months.

Among the notable non-starters are the long-awaited replacement for the Dutch-built Volvo 300 series, the mid-range Peugeot which is still known only by the C28 code name, the Fiat Type 4 sedan, the new-generation Mazda RX-7 sports car and the upper-medium-range Renault 21 sedan.

The Peugeot will appear at the end of September. The Mazda will debut at November's Tokyo Auto Show, and the Fiat will be introduced in mid-December. The Volvo and Renault are not expected until early next year.

The 4x4 BMW 3-Series is but one of several variations on the model that will appear at Frankfurt. There will be a diesel version—to counter the success of the Mercedes-Benz 190-D—a cabriolet and a very-high-performance

The incentives are attracting cash buyers as well as customers looking to finance their purchases. Some buyers who normally pay cash are financing at low rates and investing their money.

"Everyone we talk to is selling them as fast as they can get them," said a NADA spokesman.

But prospects for another haul-away walkout has some dealers worried. Ratification ballots from more than 21,000 Teamsters car haulers are due back later this week and there were rumors of another work stoppage circulating.

General Motors and Ford Motor Co. rankled some dealers by requiring retailers to give up half their traditional 5 percent carryover rebate to participate in the new finance programs. But a survey of dealers around the country, including several NADA board members, indicated that incentives are enabling a smooth transition into the new model year.

"We anticipate very few problems," said Joe O'Daniel, an Oldsmobile dealer in Evansville, Ind., and a NADA director. "As a matter of fact, we're short on inventory. The 7.7 (annual percentage rate offered by GM) has just about cleaned us out in spite of the backlog of vehicles we had from the trucker strike."

"I don't think there is going to be much of a problem with car-

ryovers this year," said James Woulfe, a Ford and Chrysler-Plymouth dealer in Dublin, Calif., and a member of the NADA board. "At maximum, we'll have 10 or 15 Fords left when we get finished. I can't complain."

Ernie Bates, a Pontiac and GMC dealer in Elizabethtown, Ky., said the low finance rate "really did a number for us."

"We had a pretty large inventory in the middle of July," said Bates, a NADA director. "But after the strike and the interest (incentive), we got some heavy traffic."

Jim Kelel, vice president of Greenfield AMC-Jeep-Renault, Detroit, one of the largest AMC outlets in the country, said a combination of incentives and prudent ordering will make for a smooth carryover.

"With what I have in inventory, we should be in good shape," said Kelel. "It is probably the cleanest I've been in a long time."

GM fired the first shot in the current incentives wars in mid-August by offering the unprecedented 7.7-percent rate on most 1985 cars and light-duty trucks. Ford followed with its "7.7 Plus" program that included a "cash assistance alternative" for buyers arranging their own financing and for lease customers.

Chrysler Corp. and American

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Boom time for sales: 405,080 in 10 days

By Jenny L. King
Detroit Reporter

Who said late-summer car sales have to be dull? Responding to eager customer acceptance of low-interest-rate financing, U.S. auto makers delivered more than 400,000 new cars in the late-August period alone and, with adequate supplies, promised a strong September.

August 21-31 domestic sales of 405,080 set a record for the period and were the highest for any reporting period since the last 10

days in March, 1977 (416,872).

The third-period number, up 70.86 percent from 237,078 in 1984, was greater than the sum of the first two reporting periods when sales were dampened by the car haulers' strike and a market lull prior to the introduction of major incentives by the major auto makers.

The domestic sales tally for the entire month was 744,764, up 23.42 percent from 603,463 a year earlier.

Imports, moving with a momentum based on popularity rather than financing or rebate programs, were up 21.04 percent for the month to an August record of 255,931 from 211,449. The industry total moved ahead 22.80 percent, to 1,000,695 from 814,912.

The import share of the market dropped to 25.58 percent in August from 29.52 percent a month earlier, and was down slightly from 25.97 percent of the total in August, 1984.

Total industry sales January through August were up 4.87 percent, to 7,532,244 from 7,182,575. Domestic sales were up 2.87 percent, to 5,692,956 from 5,533,924; imports totaled 1,839,288, up 11.56 percent from 1,648,657 in 1984.

August domestic sales returns showed losses for American Motors and Honda, with sizeable increases for the other companies.

Chrysler Corp. finished the

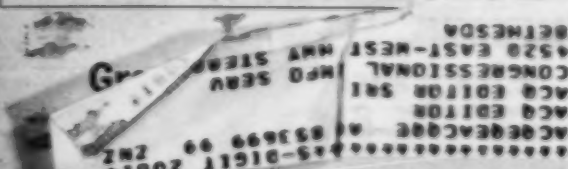
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breaking news

Korean OK for GM

SEOUL.—The South Korean Government has approved plans for General Motors and Daewoo Automobiles Co. to set up a plant on a 50-50 basis to produce automotive parts and components. Daewoo said the \$140-million plant will produce steering gears, brake systems, radiators and compressors by November, 1986. Daewoo said 70 percent of output would be

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GM prices up \$400 for '86; 12-month hike near \$1,000

By John K. Teahen Jr.
Managing Editor

General Motors has announced its 1986 car prices—almost.

The corporation said its new models will be increased an average of 3 percent over comparably equipped 1985 cars. But GM refused to say how much that 3 per-

cent amounts to in dollars.

Automotive News has computed the average increase at about \$400.

When the 1985 models arrived, GM said its average-equipped car was \$12,931. Then the company raised prices an average of \$296 on Jan. 2, bringing the average-

equipped price to \$13,227.

Three percent of \$13,227 is \$396.81—call it \$400. And the average-equipped GM car now carries an estimated sticker price of \$13,624.

GM car prices have gone up an average of nearly \$1,000 in the 12 months since the end of the 1984 model year.

There were no changes in dealer discounts or destination charges on the 1986 models.

This is believed to be the first time since the 1960s that GM has failed to place a dollar figure on its price hike.

The next question is what will Ford Motor Co. and Chrysler Corp. do. Neither company announced any price action last week and there is no assurance that they will follow GM's lead.

GM is still nominally the pacesetter for prices in the domestic auto industry, but now GM seems to set the limit of how far its rivals can go, not necessarily how far they will go.

At introduction time last year, GM prices rose an average of \$292, but Ford settled for \$153 and Chrysler for \$125. Early in 1985, GM tacked on another \$296, while Ford's hike was \$200 and Chrysler's was \$106. One reason for the difference is that GM offers so many more big cars than its rivals.

As noted, GM car prices have gone up nearly \$1,000 in the last 12 months—\$292 last fall, \$296 in January and an estimated \$400 now. And the 3 percent—or \$400—average may be even higher when GM prices its full lineup. The current jump does not include a number of popular lines that will be stickered shortly before they go on sale in November.

Those cars are the redesigned

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Cavalier tops 'em all



Chevrolet's sales leader

The nation's best-selling car during the 1985 model year was the Cavalier from Chevrolet. For 1986, versions range from the base Cavalier through CS and RS to a new sporty model, the Cavalier Z24. The 2.0-liter, four-cylinder engine with electronic fuel injection is standard. Story, other pictures are on Page 44.

Service Index shows gains in most areas

By Jack Walsh
Service Editor

After an unimpressive showing in June, service and parts volume in the nation's franchised car-truck dealerships rebounded in July with good gains in most key shop areas.

According to the Automotive News Service Index, shop business during the month was 8.2 percent higher than results reported for July, 1984. In June, service and parts volume was only 0.8 percent greater than the same month a year earlier.

For the first seven months of 1985, shop volume was up 8.7 percent over the corresponding period a year ago, with impressive increases in all six indicators used in the survey.

The biggest gain in July was in the number of repair orders written, customer-paid and warranty. The total was 15.8 percent higher than the number written in the same month last year.

Gross profit on all labor, parts and accessory sales, the most important indicator from a dealer's viewpoint, was up 8.5 percent. Total labor sales, customer-paid and warranty, showed an increase of 8 percent.

July sales of parts and accessories to off-premises customers were 6.6 percent higher than last year, while the total P&A volume for the month was up 4.6 percent.

Sales of shop parts, those used on customer-paid and warranty repairs, advanced the least during the month, and were only 1.9 percent higher than last year's total.

Through July, the leading indicator was total labor sales, which were up 11 percent over the like period in 1984. Customer-paid and warranty repair orders written showed a gain of 9 percent.

Gross profit on all labor and P&A sales for the seven-month period was 8.7 percent higher than

a year ago, while sales of parts used in the shop on customer-paid and warranty work was up 8.4 percent.

P&A sales to outside sources through July were 6.6 higher than last year, while total P&A sales showed a gain of 5.7 percent.

Service Index figures are compiled from reports on shop business from a cross-section of the nation's franchised new-car/truck dealerships.

SERVICE INDEX

108.2*

	July, '85 vs. July, '84	7 mos., '85 vs. 7 mos., '84
Gross Profit on All Labor and P&A Sales	+8.5%	+8.7%
Repair Orders Written	+15.8%	+9.0%
Total Labor Sales (Customer & Warranty)	+8.0%	+11.0%
Shop Parts Sales (Customer & Warranty)	+1.9%	+8.4%
Sales of All P&A	+4.6%	+5.7%

*—Survey by Automotive News shows that dealers' service and parts business in July, 1985, was 108.2 percent of business in July, 1984. Service business in the first seven months of 1985 was 108.7 percent of business in the corresponding period in 1984.

Will make it in second half of 1985, Dedeurwaerder says

AMC close to break-even point

By Edward Lapham
Marketing Editor

GROSSE POINTE SHORES, Mich.—American Motors, with plans to sell 50,000 of its new 1986 Comanche compact pickup trucks, should "break even," in the second half of this year, President Jose Dedeurwaerder said last week.

"That means not losing any money," Dedeurwaerder said at a

press preview of the company's 1986 models. "And that's all right." AMC posted a net loss of \$99.4 million for the first half of 1985, but earned \$15.5 million for all of 1984.

The Comanche, AMC's only all-new offering for 1986, will be available in 2WD and 4WD configurations. Base sticker price for the 2WD version is \$7,049, making it the lowest-priced Jeep, according to John W. Mowrey, product planning and design vice president. Base sticker for the 4WD version is \$8,699.

The truck will be available with three engines: Standard 2.5-liter L-4, plus 2.8-liter V-6 and 2.1-liter L-4 turbodiesel. The 4-speed manual transmission with floor shift is standard; 5-speed overdrive manual and 3-speed automatic are optional.

Dedeurwaerder said he expected total U.S. new car sales in the 1986 calendar year to total 10.3 million. AMC will sell 130,000 cars next year, he said.

At a press conference following the presentations, Dedeurwaerder said AMC "needs an efficient plant" to remain competitive.

Production at the company's Kenosha plant is scheduled to end in 1988 and AMC must decide by "spring of next year" if it will build a new plant or modernize an

existing one if the efficient plant is to be on-stream by 1989, he said.

Dedeurwaerder said AMC needs "government assistance," meaning tax abatements and other usual inducements, to build a new plant.

He also confirmed that AMC is talking to Taiwanese auto makers about the possibility of further collaboration.

Mowrey said AMC is "studying" the minivan market and that it represents "just one of several opportunities" for the company.

Dedeurwaerder also confirmed that part of AMC's national ad campaign for 1986 will involve independent product performance comparisons between the Renault Alliance and Toyota Corolla plus the Renault Encore and the Ford Escort.

A Renault official in attendance confirmed that AMC will introduce a 2.9-liter L-6 engine next year to replace the V-6 engine, which AMC currently buys from General Motors.

Toyota sociable

DETROIT.—Toyota has not ruled out states with other Japanese car plants in its quest for a U.S. plant site. Automotive News incorrectly reported otherwise last week.

A sleeker Alliance



New front end for AMC-Renault leader

The Alliance L is back for 1986 with a new front-end treatment that gives it a sleeker appearance. The black grille, which is surrounded by chrome, and new low-profile rectangular headlamps all contribute to the new look. Inside, the Alliance L sports the restyled instrument panel that is common to all Alliance and Encore models this year. Story, other picture are on Page 47.

restraints even if states with two-thirds of the U.S. population pass mandatory seat-belt-use laws.

She also refused once again to say whether existing mandatory belt-use laws in states like New Jersey, New York and others are sufficiently strong to fall within the criteria spelled out by DOT under its initial Standard 208 ruling.

That ruling held that the minimum criteria for such laws would be that:

1. Each front-seat occupant must be belted at all times; waivers would be granted for medical reasons only.
2. The minimum penalty for violating the law would be \$25 per occupant (this may include court costs).
3. Non-use of a belt may mitigate damages.

4. There must be a program to encourage compliance with the belt-use laws.

5. The effective date of any belt-use law must be no later than Sept. 1, 1989.

Critics of the department's stance on passive safety systems believe that if the pass/fail threshold for use laws is "lax," the net effect might be to have no more protection than there is today.

Dole said she wanted to think about the minimum criteria requirements some more and that she would respond to requests to reconsider them "at a later date."

Meanwhile, DOT said it is proposing to grant manufacturers the right to count any automatic-restraint vehicles produced in the year before the rule goes into effect toward the first year's requirements and would also allow manufacturers to count excess vehicles from one year as a credit in the next. It denied a request for "carry-back" credits.

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Yugo has not applied for CARB certification

SACRAMENTO.—No application for certification has been made to the California Air Resources Board on behalf of the Yugo—the \$3,990 Yugoslavian-built subcompact. Such certification is required for a car to be sold within the state.

A consumer who purchases a Yugo in another state, however, could bring it to California and have it registered if it passed California's used-car emission tests. Those tests are less stringent than the tests for new cars.

White rules out any contract of that type

Canadian UAW harpoons Saturn

By Marjorie Sorge
Labor Editor

TORONTO.—The UAW-Canada will not accept a Saturn-type agreement in its bargaining with any corporation, according to Robert White, president of the new organization.

He told the 800 delegates to the group's founding convention here last week, "I want to say to the corporations in Canada that we are not opposed to change, we are not opposed to innovation—we have shown that in collective bargaining—but we have absolutely no intention of breaking up our collective agreements or setting up separate enterprises and starting down the road to enterprise unionism in Canada."

The formal name of the new labor organization is National Union, United Automobile, Aerospace and Agricultural Implement Workers of Canada. It will be known as UAW-Canada. White was elected president at the convention.

He said the Saturn agreement should be put in perspective as an agreement between two executive groups—the UAW International Executive Board and General Motors—that has not been ratified by the workers. The agreement was negotiated before any workers were hired.

While White did not say whether he believed the agreement would work, he did say problems could arise from taking those workers out of the GM master agreement and placing them under a separate, very different pact.

The international UAW has also negotiated other agreements with flexible work rules and different wage rates at Mazda and New United Motor Mfg. Inc., and those pacts have been criticized by some international members.

White also told the founding convention that the Canadian UAW may not get its \$24 million (\$36 million Canadian) divorce settlement from the international union until the UAW's constitutional convention next May.

If that is the case, the Canadian UAW may seek a loan from the international for "not much less than \$36 million," White said at a press conference following his remarks.

He said the problem does not stem from a clash with the international leadership; it is simply a constitutional, legal question.

Since March, the international UAW has been putting Canadian dues into a separate fund which currently amounts to about \$5 million. That fund also contains the \$24 million.

White also told the delegates that the days of concessions are gone and the Canadian UAW wants to put Chrysler back on track with General Motors and Ford.

After 50 years of marriage, the Canadian UAW voted to split from the International UAW last December after the two sections disagreed vehemently on the future philosophies of the union and on how collective bargaining should be handled in Canada.

UAW President Owen Bieber was invited to last week's conven-

tion, but he did not attend. Bieber and UAW Secretary-Treasurer Raymond Majerus sent a message.

"As you embark on this course of independent action, we hope that the needs and desires of your members will be well served," they said. "While we wish you Godspeed, our greeting is tempered by intense sadness. For nearly 50 years we shared a common struggle and together built a strong union."

"Although we disagree with your decision to separate we, of course, respect it and, as with

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Price targeted below \$5,000

Greek Desta to be sold in U.S.

By Kathleen Hamilton
Assistant Managing Editor

Another under-\$5,000 vehicle from an unlikely exporting nation is headed for the U.S.

It's the Desta APV, assembled in Greece, using mostly Ford of Europe mechanical componentry.

Its importer says it will be naming an East Coast distributor within weeks, and the first dealers will be operating within four months after that appointment. It expects to sell 20,000 vehicles in the region during the first 12 months of operation, and to have dealers operating across the country within 18 months of startup.

If things go according to plan, Desta's importer will be the third company from a small-car-volume nation within a year to introduce



Desta APV headed for U.S.

Automotive Imports & Marketing, Phoenix, announced a \$100 million contract to import the Desta APV beginning this year. The vehicles, built in Greece under license from a German firm, are to be priced from \$5,000 to \$6,500.

a low-cost vehicle to the American market. Yugo, built in Yugoslavia, went on sale last month at a base price of \$3,990. Hyundai, from the emerging car-building nation Korea, is scheduled to be introduced later this model year, priced between \$5,000 and \$6,500.

Japan's Suzuki—already selling cars here through General Motors—also is planning to introduce a low-cost multipurpose vehicle to the U.S. this fall.

• Desta's importer is Automotive Imports & Marketing, 2600 North Central Ave., Phoenix, AZ 85004, telephone (602) 263-1990. President Ronald Barreto said AIM is a new, privately held company formed to import the vehicles. He declined to name his partners.

The vehicle is built under license from Inthelco, based in Munich and headed by Managing Director Peter Kondogouris, Barreto said. Inthelco is building a plant in Bavaria, and it expects to soon be building most of its U.S.-bound cars there.

Kondogouris and his brother are the principal owners of Namco, the Greek producer of the vehicles. Before forming AIM, Barreto said he was director of Namco export sales, based in Panama.

The companies have until now produced an earlier-generation all-purpose vehicle based on Citroen and, before that, Chrysler Europe, componentry. Other four-wheel-drive and six-wheel-drive civilian and military vehicles also are built for Inthelco by Farnobil A.G., Barreto said. Those won't be coming to the U.S., at least initially. But they are exported to about 15 South American, European and African nations, he said.

The Desta APV headed for the U.S. will be fitted with Ford of Germany's new 1.6-liter engine and other Ford of Europe componentry including transmission, Ford confirmed. Ford developed the fuel-injected 1.6 with three-way catalyst to meet new German exhaust standards, and it should have no trouble meeting U.S. standards as well, a Ford spokesman said. Ford has no plans at this time to use the engine in any U.S.-bound Fords, he said.

Barreto read to Automotive News a section of Inthelco's contract with Ford of Europe. It seemed to indicate Ford dealers would warrant the Ford mechanicals and notify owners in cases of recalls. But both Ford's U.S. spokesmen and Barreto said the U.S.

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On heavy-duty vehicles

EPA OK's certification via fines

By Geoff Sundstrom
Washington Reporter

WASHINGTON.—For the first time, EPA has acted to allow manufacturers that do not meet EPA emission standards to earn engine and vehicle certification by paying fines.

The action is part of two EPA enforcement rules on new emission standards for heavy-duty vehicles.

They include a final rule establishing general guidelines for nonconformance penalties (NCP) for makers of heavy-duty vehicles and engines, and a proposed rule that would set actual limits and fines for various pollutants.

The EPA issued its final rule and will proceed with its proposed rule based on unusual "regulatory negotiations," which entail EPA consultations with manufacturers

and environmental groups as part of the rulemaking process.

The proposed rule sets penalty amounts for specific pollutants including particulates, hydrocarbons, carbon monoxide and nitrogen oxide.

The penalties range from \$41 to \$1,980 per engine and are intended to reflect the cost of producing engines that would otherwise comply with the more stringent heavy-duty-engine standards that go into effect with the 1987 model year.

EPA said the nonconformance penalties are designed to aid "technological laggards," those makers who because of a lack of resources or engineering capability cannot meet the timetable for compliance laid out by the agency.

• Manufacturers had argued—and Congress agreed when writing the law—that without the NCP option, some manufacturers of heavy-duty engines and vehicles could be driven out of business because of insufficient time to meet the new heavy-duty standards.

Those standards may require them to utilize catalysts for gasoline engines and particulate traps for diesel engines.

Under EPA's plan, manufacturers of engines that do not meet federal emission standards, but do not exceed designated upper limits, can win certificates of conformity in return for the payment of penalties. The penalties would be paid on a quarterly basis.

The agency's final "generic" rule describes EPA's test procedure called "Production Compli-

ance Auditing" as well as a penalty formula to determine the dollar amount of noncompliance penalties. The rule also establishes that "upper limits" are to be set for pollutants, beyond which manufacturers will not qualify for the NCP and their engines or vehicles will not be certified.

EPA's proposed rule would set the actual upper limits for emissions and the nonconformance penalties for the specific emissions standards, taking effect in model years 1987 and 1988.

In most instances, the previously applicable emission standard serves as the upper limit. For example, for the 6.0 gram per brake horsepower per hour (g/BHP-hr.) 1988 nitrogen-oxide standard, the previous standard of 10.7 grams serves as the upper limit. In cases where there is no previous standard, EPA proposes the upper limit.

For instance, EPA proposed that the upper level for particulates be 0.80 or 0.95 g/BHP-hr. In this case, the proposed upper limit of 0.80 gram would exceed the new standard by 33 percent, while the 0.95 gram upper limit would exceed the standard by 58 percent.

Although they have participated in NCP negotiations, some environmentalists expect few non-compliance penalties to be paid.

The Natural Resources Defense Council is suing EPA because the group feels the heavy-duty emissions standards are not strict enough. An NRDC spokesman has said most manufacturers will be able to meet the new standards even without the unusual penalty arrangement.

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Japanese pledge effort to buy more in U.S.

By Jack Walsh
Service Editor

CHICAGO.—The leader of the Japanese automotive-parts buying mission said the group was impressed by products exhibited at the Automotive Parts & Accessories Assn. show here, and he pledged to "continue efforts to expand the purchase of parts and components from the U.S."

Tsutomu Oshima, senior managing director, Toyota Motor Corp., said the Japanese automotive industry expects imports of U.S. products to increase from \$170 million in 1981 to approximately \$300 million in 1985.

As a result of the buying mission's activities and the expansion of Japanese vehicle assembly in the U.S., he added, "We expect local procurement of parts and accessories, both for new vehicles assembled in the U.S. and for the servicing of used vehicles, to increase from \$380 million in 1981 to \$1.4 billion in 1985, with more increases in the years ahead."

Oshima emphasized, however, that "because of the nature of the

automotive parts business, successful contracts involve a relatively long preparatory and evaluation process, including design, experimental production and field tests on samples."

"Nevertheless," he continued, "talks at the Chicago show undoubtedly have developed a solid base for future business transactions among Japanese auto makers and parts distributors and U.S. suppliers."

At a press briefing at the close of the three-day show, Oshima said Japan hopes that U.S. parts manufacturers "will make further efforts to supply parts and components that meet the quality, performance and price standards of Japanese motor-vehicle manufacturers by fully recognizing the special characteristics of our compact and subcompact models."

During the show, he said, members of the Japanese mission conferred with representatives of 252 U.S. suppliers, resulting in the "possible purchase" of 282 items.

Sample orders and/or quotations were requested for 108 prod-

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Hanna signs with Oldsmobile

John E. Hanna, second from right, is congratulated by R.W. Dudding, second from left, Oldsmobile's St. Louis zone manager, on signing for John Hanna Oldsmobile, St. Louis. Also shown are: C.A. Sachs, left, assistant zone manager; E.A. Kellogg, center, zone service manager, and Quentin Jones, St. Louis metro district manager.

Association seeks to abolish tax burden

Widening Japan's import market

TOKYO.—The Japan Automobile Importers Assn. (JAIA), which is comprised of 45 dealers and importers, asked the Japanese Government to abolish import taxes on up to 100,000 cars annually, starting in 1986.

Documents detailing the request, prepared by JAIA and designed to spur expansion of import-car sales, were presented to Prime Minister Yasuhiro Nakasone and to the Finance Ministry, Transport Ministry and Ministry of International Trade and Industry.

Jiro Yanase, JAIA chairman and president of Yanase & Co., Ltd., said some measures for promoting foreign-car imports are necessary to redress the current imbalance in the automobile trade area.

However, a Finance Ministry official indicated that measures fa-

voring only imported cars are difficult to adopt because the ministry lacks the funds to finance them.

Currently, the commodity tax on imported cars of up to 2,000-cc engine displacement (small cars) is 18.5 percent, while the tax on cars above 2,000 cc (large or regular cars) stands at 23 percent, levied on CIF prices (comprising cost, insurance and freight).

• According to Teruo Ishii, Yanase public relations manager, tariffs on imported cars were abolished in 1978.

In 1981 the commodity tax on small cars was raised to 17.5 percent and to 22.5 percent on large cars. The current tax became effective in 1984.

Although the market-opening action program recently an-

nounced by the Japanese Government promises to simplify import procedures to alleviate trade friction with other countries, Ishii noted that commodity taxes on cars are imposed after the cars have cleared customs.

After peaking in 1979 at 60,161 units, import-car sales in Japan dipped by more than 30 percent—38,110 were sold in 1982—before recovering to 41,982 in 1984. Sales are expected to reach 50,000 units in 1985.

Car sales in Japan in 1984 totaled 3,041,931, comprised of 2,999,949 domestic units—98.6 percent of the market—compared with 41,982 imported units—1.4 percent.

Ishii said that if the request is granted, a breakdown of the 100,000 tax-free imports would consist of 60 percent small cars and 40 percent large cars.

The key to selling 100,000 imports in Japan, according to Ishii, is to increase the sale of U.S.-made vehicles.

In 1979, Ishii said U.S. firms sold about 17,000 units for approximately 27 percent of the Japanese import-car market. Last year sales dipped to 2,382 units, while sales in the January-June period of this year totaled 951, down from the 1,217 units sold during the similar period of 1984.

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U.S. shoots down Sgt. York gun built by Ford

The Defense Department abruptly scrapped Ford Aerospace's multibillion-dollar Sgt. York anti-aircraft weapon system late in August, but a company spokesman told Automotive News the cancellation will have "minimal financial impact" in part because the program had become a losing proposition.

Claiming that the tank-mounted, gun-based system is unreliable and has insufficient firing range, Defense Secretary Caspar Weinberger said he could not justify continuation of the contract.

The government had invested \$1.8 billion in the program and will realize a savings of about \$3 billion by its cancellation, according to Weinberger. Based on testing, Weinberger contended the Sgt. York system offered inadequate defenses against Soviet helicopter and aircraft strikes.

The Army has already taken delivery of 65 units and had planned to acquire another 553.

DOMESTIC SALES

	Aug. 11-20, 1985	Aug. 11-20, 1984
Renault		
Alliance-Encore	2,400†	4,300†
AMC	300†	500†
AMERICAN MOTORS	2,700†	4,800†
Chrysler	8,374	7,810
Plymouth	6,864	5,979
Dodge	8,374	7,810
CHRYSLER CORP.	25,348	21,663
Ford	25,085	28,901
Mercury	10,957	13,737
Lincoln	3,823	3,500
FORD MOTOR CO.	39,865	46,138
Buick	18,511	25,254
Cadillac	7,211	7,984
Chevrolet	36,956	36,958
Oldsmobile	24,841	22,119
Pontiac	18,814	17,944
GENERAL MOTORS	108,333	112,259
VOLKSWAGEN	1,793	1,624
HONDA	3,663	2,525
NISSAN	744	0
U.S. INDUSTRY		
TOTAL	180,446	189,209

†—Estimate

Automotive World News

Registrations overseas

UNITED KINGDOM		
Cars		
	7 mos. 1985	7 mos. 1984
Alfa Romeo	1,75	2,368
BL	179,127	177,217
Austin Rover	177,407	175,636
Range Rover	1,720	1,581
BMW	18,541	13,989
Daihatsu	2,21	2,987
Fiat Auto	30,415	26,974
Ford	256,725	280,767
FSO	3,344	2,707
GM-Vauxhall	170,801	172,147
Honda	8,869	9,316
Hyundai	2,416	2,063
Jaguar	4,29	4,068
Lada	7,166	8,429
Lotus	315	280
Mazda	8,003	8,906
Mercedes-Benz	10,026	8,577
Mitsubishi	6,740	5,365
Nissan	48,977	49,346
Panther	41	132
Peugeot SA	55,284	54,225
Citroen	14,204	15,143
Peugeot/Talbot	41,080	39,082
Reliant	307	68
Renault	41,425	32,820
Rolls-Royce	397	343
Saab	4,470	4,967
Skoda	4,926	6,019
Subaru	1,490	1,317
Suzuki	2,20	1,708
Toyota	17,111	15,721
VW-Audi Group	59,316	56,002
Audi	11,304	11,459
Volkswagen	48,012	44,543
Volvo	32,621	32,656
Zastava	4,25	2,998
Others	2,490	2,741
Total	986,064	987,223

SWEDEN

Cars		
	7 mos. 1985	7 mos. 1984
Alfa Romeo	777	662
BMW	2,819	2,563
Daihatsu	886	559
Fiat Auto	4,302	3,534
Ford	19,068	15,161
GM-Opel	17,970	13,161
Honda	2,38	2,065
Lada	868	905
Mazda	7,02	6,074
Mercedes-Benz	6,33	3,293
Mitsubishi	1,517	937
Nissan	5,376	3,771
Peugeot SA	4,45	4,370
Citroen	1,941	2,112
Peugeot/Talbot	2,511	2,258
Porsche	327	215
Renault	1,27	1,438
Saab	17,171	16,467
Skoda	229	192
Subaru	948	345
Suzuki	38	1
Toyota	6,61	4,982
VW-Audi Group	20,325	15,368
Audi	7,390	3,680
Volkswagen	12,935	11,688
Volvo	42,497	34,583
Others	51	36
Total	163,596	130,682

WEST GERMANY

Cars		
	6 mos. 1985	6 mos. 1984
Alfa Romeo	4,510	7,421
Austin Rover	3,816	4,259
Bertone	243	517
BMW	78,093	89,506
Daihatsu	4,019	3,497
Fiat Auto	56,071	63,313
Ford	124,719	168,549
GM-Opel	198,641	238,059
Honda	19,535	22,357
Isuzu	1,80	1,422
Jaguar	1,304	946
Lada	4,486	4,943
Mazda	36,239	37,729
Mercedes-Benz	140,625	118,645
Mitsubishi	23,644	24,442
Nissan	32,550	33,723
Peugeot SA	50,908	57,041
Citroen	20,591	22,901
Peugeot/Talbot	30,317	34,140
Pininfarina	691	348
Porsche	6,716	6,715
Renault	44,586	49,090
Saab	1,639	2,142
Seat	1,97	2,679
Skoda	1,140	1,211
Subaru	5,499	3,789
Suzuki	9,49	7,723
Toyota	32,120	28,686
VW-Audi Group	362,890	376,042
Audi	73,580	81,200
Volkswagen	289,300	294,842

Volvo	7,305	8,805
Others	1,148	625
Total	1,256,69	1,364,044

THE NETHERLANDS

Cars		
	6 mos. 1985	6 mos. 1984
Alfa Romeo	2,339	2,852
Austin Rover	3,32	4,004
BMW	8,449	8,797
Dacia	65	16
Daihatsu	2,610	2,680
Fiat Auto	18,697	23,317
Ford	36,742	37,325
FSO	145	68
GM-Opel	57,252	47,501
Honda	7,321	8,062
Hyundai	929	1,678
Jaguar	213	203
Lada	4,510	4,390
Mazda	9,576	10,881
Mercedes-Benz	7,059	5,605
Mitsubishi	8,65	7,806
Nissan	14,072	13,931
Peugeot SA	30,254	31,923
Citroen	15,053	15,030
Peugeot/Talbot	15,201	16,893
Porsche	141	122
Renault	19,266	16,749
Saab	1,53	2,051
Seat	4,156	3,924
Skoda	1,654	2,149
Subaru	1,80	1,713
Suzuki	6,569	6,001
Toyota	14,314	11,726
VW-Audi Group	28,424	27,237
Volvo	16,470	15,585
Zastava	452	723
Total	306,960	299,072

BELGIUM

Cars		
	6 mos. 1985	6 mos. 1984
Alfa Romeo	1,596	2,412
Austin Rover	3,001	3,893
BMW	4,984	5,989
Daihatsu	939	1,123
Fiat Auto	8,159	15,774
Ford	19,043	20,274
GM-Opel	26,363	25,889
Honda	5,324	5,205
Hyundai	297	453
Lada	8,007	8,397
Mazda	5,319	6,235
Mercedes-Benz	5,83	5,465
Mitsubishi	4,88	5,687
Nissan	8,781	8,138
Peugeot SA	30,125	29,033
Citroen	14,293	13,140
Peugeot/Talbot	15,832	15,893
Porsche	266	319
Renault	20,475	17,954
Saab	721	948
Seat	2,33	3,647
Skoda	1,56	1,900
Subaru	1,409	1,322
Suzuki	1,370	2,276
Toyota	12,970	13,579
VW-Audi Group	30,632	27,710
Audi	8,458	8,348
Volkswagen	22,174	19,362
Volvo	4,92	4,611
Wartburg	643	559
Zastava	265	259
Others	170	170
Total	210,401	217,035

AUSTRIA

Cars		
	6 mos. 1985	6 mos. 1984
Alfa Romeo	1,27	1,518
Austin Rover	167	127
BMW	4,153	4,889
Daihatsu	334	410
Fiat Auto	7,799	9,285
Ford	13,184	12,757
GM-Opel	19,500	16,389
Honda	2,586	2,541
Lada	839	782
Mazda	12,106	11,859
Mercedes-Benz	4,77	3,628
Mitsubishi	2,814	2,460
Nissan	6,830	5,762
Peugeot SA	8,755	8,729
Citroen	3,78	3,742
Peugeot/Talbot	4,97	4,987
Porsche	262	319
Renault	6,18	5,846
Saab	174	237
Seat	572	442
Skoda	653	543
Subaru	1,81	1,039
Suzuki	782	633
Toyota	6,429	5,590
VW-Audi Group	27,442	23,181
Audi	5,79	4,285
Volkswagen	21,647	18,896
Volvo	1,89	2,035
Others	117	66
Total	131,419	121,067

DENMARK

Cars		
	6 mos. 1985	6 mos. 1984
Alfa Romeo	103	179
Austin Rover	200	268
BMW	1,82	1,586
Dacia	448	510
Daihatsu	1,33	1,008
Fiat Auto	4,34	4,584
Ford	13,393	13,381
FSO	1,134	524
GM-Opel	14,700	12,109
Honda	949	770
Lada	2,014	2,357
Mazda	7,139	7,420
Mercedes-Benz	573	465
Mitsubishi	1,438	791
Nissan	3,958	4,271
Peugeot SA	4,939	5,417
Citroen	3,228	3,415
Peugeot/Talbot	1,711	2,002
Renault	662	348
Saab	96	1,008
Seat	17	0
Skoda	2,291	4,523
Subaru	52	103
Suzuki	264	20
Toyota	9,916	8,511
Trabant	22	48
VW-Audi Group	6,06	5,396
Audi	456	388
Volkswagen	5,008	5,008
Volvo	3,36	3,458
Wartburg	689	616
Zastava	933	418
Others	18	28
Total	83,999	80,393

JAPAN

Cars		
	6 mos. 1985	6 mos. 1984
Daihatsu	52,631	58,636
Fuji	39,225	41,617
Honda	139,791	126,415
Isuzu	20,349	22,685
Mazda	95,469	111,947
Mitsubishi	88,282	103,426
Nissan	397,451	416,820
Suzuki	38,187	40,363
Toyota	675,785	648,249
Imports (all)	24,269	20,238
Total	1,571,439	1,590,396

Vans, trucks, buses

Daihatsu	173,882	156,850
Fuji	113,101	109,162
Hino	20,498	20,972
Honda	67,699	73,005
Isuzu	62,912	62,760
Mazda	79,481	82,413
Mitsubishi	181,951	163,305
Nissan	140,241	143,040
Nissan Diesel	10,704	11,469
Suzuki	207,076	192,249
Toyota	182,679	183,450
Imports (all)	71	83
Total	1,240,29	1,198,758
Total vehicles	2,811,734	2,789,154

SWITZERLAND

Cars		
	5 mos. 1985	5 mos. 1984
Alfa Romeo	3,22	3,802
AMC	65	77
Austin Rover	1,089	1,155
Bertone	103	112
BMW	5,20	6,597
Daihatsu	487	464
Ferrari	87	87
Fiat Auto	9,525	10,632
Ford	9,335	11,064
GM-Opel	17,536	20,028
Honda	3,889	4,320
Innocenti	72	31
Isuzu	166	280
Jaguar	204	212
Maserati	89	162
Mazda	3,779	4,305
Mercedes-Benz	3,052	3,196
Mitsubishi	3,67	4,010
Nissan	4,558	4,382
Peugeot SA	10,822	11,753
Citroen	4,11	5,331
Peugeot/Talbot	6,70	6,422
Pininfarina	120	118
Porsche	663	831
Puch	50	46
Renault	8,11	6,980
Rolls-Royce	28	34
Saab	545	650
Seat	554	0
Skoda	49	70
Subaru	4,890	2,949
Suzuki	1,623	1,601
Toyota	7,739	8,981
VW-Audi Group	19,983	20,381
Audi	6,888	5,361
Volkswagen	13,095	15,020
Volvo	2,340	3,154
Others	56	54
Total	123,716	132,518

FRANCE

Cars		
	4 mos. 1985	4 mos. 1984
Alfa Romeo	5,506	7,512
Aro	231	385
Austin Rover	7,805	10,728
BMW	8,821	11,219
Ferrari	49	26
Fiat Auto	27,504	34,003
Ford	47,587	47,016
GM-Opel	29,281	25,157
Honda	2,00	2,064
FSO	593	611
Innocenti	383	497
Jaguar	78	62
Lada	7,079	8,106
Maserati	31	8
Mazda	5,030	3,054
Mercedes-Benz	5,96	6,292
Mitsubishi	1,08	1,131
Nissan	4,92	4,155
Peugeot SA	211,553	201,008
Citroen	78,794	81,009
Peugeot	122,721	103,224
Talbot	10,038	16,775
Porsche	383	519
Renault	176,602	192,491
Saab	474	348
Seat	6,201	3,941
Skoda	1,009	1,246
Toyota	3,73	3,510
VW-Audi Group	36,508	31,400
Audi	8,764	8,626
Volkswagen	27,744	22,774
Volvo	6,206	5,258
Zastava	499	442
Others	27	23
Total	596,888	601,563